

EXHIBIT C

1 BYLAWS
2 OF
3 THE ASSOCIATION OF APARTMENT OWNERS
4 OF
5 YPAO GARDEN APARTMENTS

6 ARTICLE I

7 CONDOMINIUM OWNERSHIP. APPLICABILITY OF BY-LAWS

8 §1. *Condominium Ownership.* The property is located at
9 Lot No. 2143-R-5, Tamuning, Dededo, Guam, and has been submitted
10 to the provisions of Chapter I, Title VI, Part IV, Division
11 Second, Civil Code of Guam, (the "Horizontal Property Act"),
12 by a Declaration of Horizontal Property Regime recorded
13 simultaneously herewith, to be known as *Ypao Garden Apartments*
14 (the "Project").

15 §2. *Applicability of Bylaws.* The provisions of these
16 Bylaws are applicable to the Project and to the use and occupancy
17 thereof. All present and future owners, mortgagees, lessees, and
18 occupants of apartments or other interests in the property and
19 their employees, and any other persons who may use the facilities
20 of the Project in any manner are subject to these Bylaws, the
21 Declaration, and the House Rules.

22 The acceptance of a deed or conveyance or the entering
23 into of a lease or the act of occupancy of an apartment or other
interest in the Project or the use of any of the facilities of the
Project shall constitute an agreement that these Bylaws, the House
Rules and the provisions of the Declaration, as they may be amended
from time to time, are accepted, ratified, and will be complied
with.

1 the percentage vote allocated to their apartment.

2 §2. *Place of Meetings.* Meetings of the Association
3 shall be held at the Project or such other suitable place con-
4 venient to the apartment owners as may be designated by the
5 Board.

6 §3. *Annual Meetings.* The first annual meeting of the
7 Association shall be held as soon as practicable after recording
8 of the Declaration and these Bylaws upon the call of at least
9 ten percent of the apartment owners. Thereafter the annual
10 meetings of the Association shall be held within three months
11 after the end of each succeeding accounting year.

12 §4. *Special Meetings.* Special meetings of the
13 Association may be held at any time upon the call of the President,
14 or by resolution of the Board, or upon a petition signed by
15 at least twenty-five percent of the apartment owners and
16 presented to the Secretary. No business shall be conducted
17 except as stated in the notice thereof unless by consent of
18 at least eighty percent of the owners present, either in person
19 or by proxy.

20 §5. *Notice of Meetings.* A written or printed notice
21 of every meeting of the Association stating whether it is an annual
22 or special meeting, the authority for the call of the meeting, the
23 place, day and hour thereof, and the purpose therefor shall be
given by the Secretary or the person or persons calling the meeting
at least five days before the date set for such meeting. Such
notice shall be given to each member in any of the following ways:

1 (a) by leaving the same with him personally, or (b) by leaving the
2 same at the residence or usual place of business of such member,
3 or (c) by mailing it, postage prepaid, addressed to such member
4 at his address as it appears on the records of the Association, or
5 (d) by publishing such notice in any newspaper of general circula-
6 tion in Guam, such notice to be published not less than two times
7 on successive days, the first publication thereof to be not less
8 than three days nor more than ten days prior to the day assigned
9 for the meeting. If notice is given pursuant to the provisions
10 of this section, the failure of any member to receive actual
11 notice of the meeting shall in no way invalidate the meeting or
12 any proceedings thereat.

13 §6. *Waiver of Notice.* The presence of all the members,
14 in person or by proxy, at any meeting shall render the same a valid
15 meeting, unless any member shall, at the opening of such meeting,
16 object to the holding of the same for noncompliance with the pro-
17 visions of §5 of this Article II. Any meeting so held without
18 objection shall, notwithstanding the fact that no notice of meeting
19 was given, or that the notice given was improper, be valid for all
20 purposes, and at such meeting any general business may be trans-
21 acted and any action may be taken; *provided*, however, that where
22 a member has pledged his vote by mortgage, deed of trust, or
23 agreement of sale, only the presence of the pledgee will be
counted in determining whether notice is waived with regard to
business dealing with such matters upon which the member's vote
is so pledged.

1 §7. *Quorum.* The presence at any meeting in person
2 or by proxy of a majority of apartment owners shall constitute a
3 quorum, and the acts of a majority of the apartment owners at any
4 meeting at which a quorum is present shall be the acts of the
5 Association except as otherwise provided herein. The term
6 "majority of apartment owners" herein means the owners of
7 apartments to which are appurtenant more than fifty percent
8 of the common interests as established by the Declaration,
9 and any other specified percentage of the apartment owners
10 means the owners of apartments to which are appurtenant such
11 percentage of the common interests. In the event a member has
12 pledged his vote by mortgage, deed of trust, or agreement of sale,
13 the member's vote will be recognized in computing a quorum with
14 regard to any business conducted concerning such matters upon which
15 said member's vote is so pledged or mortgaged unless the mortgage,
16 deed of trust, or agreement of sale provides otherwise, in which
17 event such instruments shall control.

18 §8. *Voting.* Voting shall be on a percentage basis,
19 and the percentage of the total vote to which each apartment is
20 entitled shall be the percentage of the common interest assigned
21 to such apartment in the Declaration. Votes may be cast in person
22 or by proxy by the respective apartment owners as shown in the
23 record of ownership of the Association. An executor, adminis-
trator, guardian or trustee may vote in person or by proxy at
any meeting of the Association the percentage of vote for any
apartment owned or controlled by him in such capacity, whether

1 or not the same shall have been transferred to his name in the
2 Association's record of ownership; *provided* that he shall first
3 present evidence satisfactory to the Secretary that he owns or
4 controls such apartment in such capacity. The vote for any
5 apartment owned of record by two or more persons may be exer-
6 cised by any one of them present at any meeting in the absence
7 of protest by the other or others, and in case of protest each
8 co-tenant shall be entitled to only a share of such vote in
9 proportion to his share of ownership in such apartment; *provided*
10 that when the vote of owner or owners has been pledged by mortgage,
11 deed of trust, or agreement of sale of any apartment or interest
12 therein, an executed copy of which is on file in the Association's
13 record of ownership only the vote of the pledgee will be recog-
14 nized upon those matters upon which the owner or owners' vote is
15 so pledged.

14 §9. *Voting - Proxies and Pledges.* The authority given
15 by a member to another person to represent such member at meetings
16 of the Association shall be in writing, signed by such member or if
17 a unit is jointly owned then by all joint owners, or if such member
18 is a corporation, by the proper officers thereof, and shall be
19 filed with the Secretary, and unless limited by its terms, such
20 authority shall be deemed good until revoked by a writing filed
21 with the Secretary or by the death or incapacity of such owner.
22 Voting rights transferred or pledged by mortgage, deed of trust or
23 agreement of sale of any apartment or interest therein, a true
copy of which is filed with the Board through the Secretary or

1 Managing Agent, shall be exercised only by the person designated
2 in such instrument until the written release or other termination
3 thereof is filed with the Board in like manner.

4 §10. *Adjournment.* Any meeting of the Association may
5 be adjourned from time to time not less than forty-eight hours from
6 the time the original meeting was called as may be determined by
7 majority vote of the apartment owners present, whether or not a
8 quorum be present, without notice other than the announcement at
9 such meeting. At any such adjourned meeting at which a quorum is
10 present, any business may be transacted which might have been
11 transacted by a quorum at the meeting as originally called.

12 §11. *Order of Business.* The order of business at all
13 meetings of the Association shall be as follows:

- 14 (a) Roll call.
- 15 (b) Proof of notice of meeting.
- 16 (c) Reading of minutes of preceding meeting.
- 17 (d) Report of officers.
- 18 (e) Report of committees.
- 19 (f) Election of inspectors of election.
- 20 (g) Election of directors.
- 21 (h) Unfinished business.
- 22 (i) New business.

23 ARTICLE III

BOARD OF DIRECTORS

§1. *Number and Qualifications.* The affairs of the
Association shall be governed by a Board of Directors composed

1 of three persons, each of whom shall be the sole owner or co-
2 owner of record of an apartment. If a corporation is an apart-
3 ment owner, any officer of such corporation shall be eligible to
4 serve as director so long as he remains an officer of such cor-
5 poration.

6 §2. *Powers and Duties.* The Board of Directors of the
7 Association shall be responsible only for the administration of
8 those portions of the Project relating to the apartments and the
9 common elements appurtenant thereto. All other areas of the
10 Project shall be administered by and be the sole responsibility
11 of the owners, their successors and assigns.

12 The Board shall have the powers and duties necessary for
13 the administration of the affairs of the Association, and may do
14 all such acts and things except as by law or by the Declaration or
15 by these Bylaws may not be delegated to the Board by the owners.

16 §3. *Election and Terms.* Election of directors shall
17 be by cumulative voting by secret ballot at each annual meeting
18 unless waived, or at any special meeting called for the
19 purpose. Directors shall hold office for a period of three
20 years and until their respective successors have been elected,
21 subject to removal as herein provided, except that at the
22 first annual meeting one of the directors shall be elected for
23 one year, one for two years and one for three years.

24 §4. *Vacancies.* Vacancies in the Board caused by
25 any reason other than removal of a director by a vote of the
26 Association shall be filled by vote of a majority of the remaining

1 directors, even though they may constitute less than a
2 quorum, and each person so elected shall be a director until
3 his successor is elected at the next annual meeting of the
4 Association. Death, incapacity or resignation of any director,
5 or his continuous absence from Guam for more than six months,
6 or his ceasing to be the sole owner or co-owner of an apartment,
7 shall cause his office to become vacant.

8 §5. *Removal of Directors.* At any regular or special
9 meeting of the Association duly called, any one or more of the
10 directors may be removed with or without cause by vote of a
11 majority of apartment owners and a successor may then and there
12 be elected to fill the vacancy thus created. Any director whose
13 removal has been proposed by the apartment owners shall be given
14 an opportunity to be heard at such meeting.

15 §6. *Compensation.* No compensation shall be paid to
16 directors for their services as directors. No remuneration shall
17 be paid to a director for services performed by him for the
18 Association in any other capacity, unless a resolution authorizing
19 such remuneration shall have been unanimously adopted by the Board
20 before the services are undertaken. A director may not be an
21 employee of the Association.

22 §7. *Organizational Meeting.* An organizational meeting
23 of the Board shall be held at the place of and immediately
following each annual meeting of the Association, and no notice
shall be necessary to any directors in order validly to constitute
such meeting; *provided*, that a majority of the whole Board shall

1 be present. At such meeting the Board shall elect the officers
2 of the Association for the ensuing year.

3 §8. *Regular Meetings.* Regular meetings of the Board
4 may be held at such time and place as shall be determined
5 from time to time by a majority of the directors, but at
6 least one such meeting shall be held during each calendar
7 quarter of every year. Notice of regular meetings of the Board
8 shall be given to each director, personally or by mail, telephone
9 or messenger service, at least three days prior to the date of
such meeting.

10 §9. *Special Meetings.* Special meetings of the Board
11 may be called by the President on at least eight hours'
12 notice to each director, given personally or by telephone or
13 messenger service, which notice shall state the time, place
14 and purpose of such meeting. Special meetings of the Board
15 shall be called by the President or Secretary in like manner
16 and with like notice on the written request of at least two
directors.

17 §10. *Waiver of Notice.* Before or at any meeting of
18 the Board, any director may, in writing, waive notice of
19 such meeting, and such waiver shall be deemed equivalent to
20 the giving of such notice. Attendance by a director at any
21 meeting of the Board, unless he objects to the calling of the
22 same, shall be a waiver of notice to him of such meeting.
23 If all the directors are present at any meeting of the
Board, no notice thereof shall be required, and any business

1 may be transacted at such meeting.

2 §11. *Quorum of Board.* At all meetings of the
3 Board, a majority of the total number of directors established
4 by these Bylaws shall constitute a quorum for the transaction of
5 business, and the acts of a majority of the directors present at
6 any meeting at which a quorum is present shall be the acts of the
7 Board. If less than a quorum shall be present at any meeting of
8 the Board, a majority of those present may adjourn the meeting from
9 time to time. At any such adjourned meeting at which a quorum
10 is present, any business which might have been transacted at
11 the meeting as originally called may be transacted without
12 further notice.

13 §12. *Fidelity Bonds.* The Board shall require
14 that all officers, employees and agents of the Association
15 handling or responsible for its funds, shall furnish adequate
16 fidelity bonds. The premiums on such bonds shall be paid by
17 the Association.

18 ARTICLE IV

19 OFFICERS

20 §1. *Designation.* The principal officers of the Asso-
21 ciation shall be a President, a Vice-President, a Secretary and
22 a Treasurer, all of whom shall be elected by, and in the case of
23 the President from, the Board. The Board may appoint an
assistant treasurer, an assistant secretary and such other
officers as in its judgment may be necessary.

§2. *Election and Term.* The officers of the Association

1 shall be elected annually by the Board at its organizational
2 meeting and shall hold office at the pleasure of the Board.

3 §3. *Removal.* Any officer may be removed either with
4 or without cause by vote of a majority of the members of the
5 Board, and his successor elected, at any regular meeting of
6 the Board or any special meeting called for such purpose.

7 §4. *President.* The President shall be the chief
8 executive officer of the Association and shall preside at
9 all meetings of the Association and of the Board. Subject
10 to the control of the Board, he shall exercise general
11 supervision and direction over the management and conduct of
12 the business and affairs of the Association. He shall have all
13 of the general powers and duties which are usually vested in the
14 office of President of an Association, including but not limited
15 to the power to appoint committees from among the owners from
16 time to time as he may in his discretion decide is appropriate
17 to assist in the conduct of the affairs of the Association. He
18 shall also have such other powers and duties as may be
19 provided by these Bylaws or assigned to him from time to
20 time by the Board.

21 §5. *Vice-President.* The Vice-President shall assume
22 and perform the duties of the President in the absence or dis-
23 ability of the President or whenever the office of President is
vacant. If neither the President nor the Vice-President is able
to act, the Board shall appoint some other member of the
Board to do so on an interim basis. He shall also have such

1 other powers and duties as may be assigned to him from time
2 to time by the Board.

3 §6. *Secretary.* The Secretary shall attend and keep
4 the minutes of all meetings of the Association and of the Board,
5 give all notices thereof as provided by these Bylaws, maintain
6 and keep a continuous and accurate record of ownership
7 of all apartments, have charge of such books, documents and
8 records of the Association as the Board may direct, and in
9 general perform all the duties incident to the office of Secretary.
10 If the Secretary is not present at any meeting, the presiding
11 officer shall appoint a secretary pro tempore who shall keep the
12 minutes of such meeting and record them in the books provided
13 for that purpose.

14 §7. *Treasurer.* The Treasurer shall supervise the
15 Managing Agent's custody of all funds of the Association, maint-
16 enance of accounts and records thereof and preparation of finan-
17 cial reports thereof.

18 §8. *Auditor.* The Association shall appoint annually
19 a public accountant or accounting firm as auditor, who shall not
20 be an officer of the Association nor own any interest in any apart-
21 ment, to audit the books and financial records of the Association
22 as required by law or directed additionally by the Board of
23 Directors.

ARTICLE V

ADMINISTRATION

§1. *Management.* The Board shall at all times

1 manage and operate the Project and have such powers and
2 duties as may be necessary or proper therefor, including, without
3 limitation, the following:

4 (a) Supervision of its immediate management and
5 operation;

6 (b) Maintenance, repair, replacement and restora-
7 tion of the common elements and any additions and alterations
8 thereto;

9 (c) Purchase, maintenance and replacement of any
10 equipment and provision of all water and utility services required
11 for the common elements;

12 (d) Provision at each apartment of all water,
13 sewer, electricity and such other utility services and utilities
14 as the Board shall deem necessary either at the expense of such
15 apartment or as a common expense as determined by the Board;

16 (e) Employment, supervision and dismissal of such
17 personnel as may be necessary for the maintenance and operation of
18 the Project;

19 (f) Preparation at least 60 days before each
20 fiscal year of a proposed budget and schedule of assessments for
21 such year;

22 (g) Collection of all installments of assessments
23 levied and payment of all common expenses authorized by the Board;

(h) Purchase and maintenance in effect of all
policies of hazard and liability insurance for the Project
required by the Declaration and such other insurance and bonds

1 as may be required or authorized by the Declaration or the Board;

2 (i) Custody and control of all funds of the Asso-
3 ciation, maintenance of full and accurate books of account and
4 records of such funds and preparation of regular financial
5 reports thereof;

6 (j) Notification of all persons having any
7 interest in any apartment according to the Association's record
8 of ownership of delinquency exceeding 60 days in the payment
9 of any assessment against such apartment; and

10 (k) Establishment of such penalties and fines as
11 it deems appropriate with respect to enforcement of the provisions
12 of the Declaration, these Bylaws and the House Rules adopted
13 pursuant to §4, Article VI of these Bylaws; *provided*, such
14 penalties and fines are not inconsistent with law or the pro-
15 visions herein, and the unpaid amount of such penalties and
16 fines against any apartment owner shall constitute a lien against
17 his interest in his apartment which may be foreclosed by the Board
18 or Managing Agent in the same manner as provided in the
19 Horizontal Property Act for common expenses.

20 §2. *Managing Agent.* The Board shall annually employ
21 a responsible Guam corporation as Managing Agent to manage
22 and control the Project subject at all times to direction by
23 the Board, with all the administrative functions set forth
specifically in the preceding §1 of this article and such
other powers and duties and at such compensation as the
Board may establish, subject to prior approval of every such